

Charity number 205097

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
CHELTENHAM & EAST GLOUCESTERSHIRE BRANCH**

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

**CHARITY COMMISSION
FIRST CONTACT**

23 OCT 2018

**ACCOUNTS
RECEIVED**

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH**

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2 - 6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 - 20

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2017**

Trustees

Mr K Barnfield, Treasurer (resigned 31 December 2017)
Miss L Kidd, Secretary
Mr H Kirkham
Mrs L Kirkham, Chairman
Mr G Upton
Ms S White (resigned 30 June 2017)
Mr C White (resigned 30 April 2018)
Mr C Hibbert (resigned 30 June 2017)
Miss J Lei (appointed 30 June 2017)
Mr M Hamlin (appointed 30 November 2017)

Charity registered number

205097

Principal office

Alleyne Lodge, Knapp Road, Cheltenham, Gloucestershire, GL50 2QJ

Branch administrator

Mrs P Spencer

Independent Examiner

Mr M Regan, Crowe U.K. LLP, Carrick House, Lypiatt Road, Cheltenham, GL50 2QJ

Bankers

CAF Bank Limited, 25 Kings Hill Avenue, West Malling, Kent, ME19 4JQ

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Trustees present their annual report together with the financial statements of the charity for the 1 January 2017 to 31 December 2017.

Objectives and Activities

a. Objectives

The RSPCA Cheltenham & East Gloucestershire Branch is an unincorporated charitable association and a separately registered branch of the Royal Society for the Prevention of Cruelty to Animals, carrying out its direct animal welfare work in the areas of Cheltenham and East Gloucestershire.

The objects of the branch are to promote the work and objects of the Society - to promote kindness and to prevent or suppress cruelty to animals by all lawful means, with particular reference to the area of the branch, in accordance with the policies of the society.

The trustees have reviewed the outcomes and achievements of the objectives and activities for the year, to ensure that they remain focused on the charitable aims, and continue to deliver benefits to the public. The trustees have complied with the duty under the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

b. Activities for achieving objectives

Under the Charities Act 2011 the advancement of animal welfare is recognised as a distinct statutory charitable purpose. This legislation and the Animal Welfare Act of the same year indicate an acceptance by society that treating living creatures with compassion has a moral benefit for the public as a whole. Whilst this public benefit is clear, it is sometimes difficult to quantify and must be balanced against any detriment.

The branch's animal welfare work, although local in nature, benefits society at large, and also aims to help people in need with the care of their animals. The next section of this report highlights the branch's main activities, and demonstrates the benefit provided to the public. All of the branch's charitable activities, as described in more detail in the following pages of this report, focus on promoting kindness and preventing or suppressing cruelty to animals and are undertaken to further these purposes for the public benefit.

c. Main activities undertaken to further the charity's purposes for the public benefit

The branch supports the local inspectors by taking in, free of charge, mistreated or abandoned animals, including pets whose owners suffer ill health or financial difficulties or pass away. The Society's Inspectorate, as well as providing education, information and advice, rescues animals in distress and enforces laws against the cruel mistreatment of animals in England and Wales by bringing prosecutions. This work is key to the prevention or suppression of cruelty part of the RSPCA objects, and promotes humane sentiments towards animals, which involves moral benefit to humankind as a whole.

The branch provides subsidised veterinary treatment for animals which are sick or injured and belong to local people on low incomes. This is achieved by running a clinic and through a voucher scheme. This work benefits those on means tested benefits by giving them financial help to obtain care for companion animals in need of veterinary treatment.

The branch provides subsidised neutering and micro-chipping of animals for those owners in the Branch area on low incomes. This work helps to control dog/cat populations through neutering and benefits those on means tested benefits by giving them financial help to neuter and microchip companion animals, thereby promoting responsible pet ownership.

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Animals in the branch's care receive veterinary treatment, vaccination, neutering, micro-chipping and are assessed for re-homing. This work helps control the incidence and spread of disease and suffering through vaccination and neutering. The branch's animals are re-homed at low cost to people willing and able to have a rescued companion animal. Whilst the branch recognises that companion animals provide measurable benefits to people's physical and mental health, it is considered that the provision of pets is subsidiary to the main charitable aim of this service, which is to reduce animal suffering. The branch's re-homing policy, to request a reasonable donation for adoption, aims to highlight the ongoing personal and financial commitment of pet ownership. It would not be in the best interests of animals, and therefore would fall outside the branch's objectives, to re-home to those who could not afford them.

The branch takes in, free of charge, lost animals and takes steps to re-unite them with their owners. This work benefits the local community by preventing animals straying and posing a risk to themselves and to people through road traffic accidents.

The branch responds to enquiries from the public about animals locally. The public benefits from knowing that the branch can intervene to assist animals in need.

The branch offers free animal care advice by the public contacting the branch office. The public benefits through the promotion of responsible pet ownership.

Within the terms of the governing document the branch supports the National Society and other branches by providing funds for help in the purchase of essential equipment and the construction of buildings for the housing of animals in their care.

The branch provides volunteering opportunities for those who wish to support the branch's work, including trusteeship, fostering, fundraising and working in the clinic. This benefits local people and companies by providing the possibility of doing work which is compassionate and rewarding.

d. Volunteers

The clinic has been attended by 5 volunteers, (including 1 trustee) these manning the reception and giving advice to the clients where appropriate.

Volunteer fosterers have continued to provide invaluable support to the branch, in the form of temporary loving homes for many of the cats, rabbits and small animals that have been taken in.

The trustees would like to thank the clinic volunteers, the home visitors and the volunteer fosterers for their hard work and support, also Woodlands Veterinary Clinic, which has supported the branch for many years.

Achievements and performance

a. Review of activities

The branch has experienced another busy year in 2017.

8(16) dogs, 20(35) cats and 6(5) rabbits/miscellaneous small animals were taken into the care of the branch, the majority of which being pets that were rescued by the RSPCA inspectors.

Many of the cats, rabbits and small animals were temporarily fostered out to members of the public, and 9 (14) dogs, 19(34) cats and 3(11) rabbits/small animals were re-homed.

These figures are shown against last year's (2016) figures, where available.

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017**

The twice weekly walk in clinic continues to be busy, with 510(558) pets being treated in 2017. A total of 15(24) welfare vouchers and 50(45) neutering vouchers were issued, so that the cost of veterinary treatment for the pets of qualifying owners could be subsidised.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Principal risks and uncertainties

The trustees actively review the risks, which the charity faces on a regular basis through regular meetings of the trustees that cover operational and financial reviews. The trustees also examine other operational and business risks which the branch face and confirm that they have established systems to mitigate the significant risks, which have been identified as:

- Inability to operate the animal boarding facility because of fire or other destruction;
- Loss of reputation through error or fraud;
- Loss of income through error or fraud;
- Insufficient funds to cover the costs of animal welfare activities.

c. Reserves policy

The total funds (including the values of the buildings) carried forward are £723,853 (£681,264 in 2016), of which £100,00 is designated to fund potential future costs of renovating, setting up and the initial running costs of operating a charity shop from the Bath Road property.

The branch retains a policy to maintain its total reserves, excluding the value of the two branch premises, at a minimum of 3.5 times the average annual running costs. This is achieved by means of investments, interest, fundraising activities, donations and legacies. The reserves are used to generate regular income, which is an essential and significant part of the annual income for the branch. Given the current year results and general economic climate the branch believes this to be a prudent approach. However this policy will be reviewed on an annual basis.

d. Financial review

The underlying financial situation has improved from that in 2016.

Although income has reduced from £71,415 in 2016 to £63,693 in 2017, due to a reduction of £7,331 in donations and legacies and a slight reduction in other charitable activities, total expenditure has also reduced - by £36,000 - leading to an increase of funds carried forward to £723,853 compared to £681,264 for 2016.

The costs in 2016 included legal fees and repairs and maintenance to the rental property and these costs were not repeated in 2017.

Net assets have increased from £681,264 in 2016 to £723,853 for 2017

The change to a private veterinary practice running the Branch clinic, which was instigated in January 2014, has

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017**

continued to be successful, with the cost of Veterinary & Medicines costs reduced by £7,261 compared to 2016.

The regular use of temporary fostering, together with increased frequency and method of advertising our pets, have both contributed to the continuing significant reduction in the re-homing expenses. Re-homing expenses reduced from £32,971 in 2016 to £14,523 in 2017.

Structure, governance and management

a. Constitution

The charity is constituted as an unincorporated association. The charity operates as an autonomous branch of the National RSPCA subject to its rules for branches (as updated in 2006).

b. Method of appointment or election of Trustees

Trustees of the branch are elected and re-elected annually at the branch AGM. Trustee nomination forms are issued to all branch members prior to the AGM, and the members who attend the AGM vote on each application.

c. Policies adopted for the induction and training of Trustees

All new trustees are asked to attend a number of the regular activities of the branch, so that they will understand how the branch operates, and are briefed on their responsibilities prior to their acceptance of the role. This enables them to participate in the making of decisions at the monthly held committee meetings.

Plans for future periods

a. Future developments

The plans for 2018 are to continue with the taking in of neglected or cruelly treated pets, together with the holding of regular welfare clinics, the neutering campaigns and the micro-chipping service, and to continue to encourage responsible pet ownership.

Towards the end of 2013 it was decided that the twice weekly (one hour long) clinic would be more effectively run by a private veterinary practice, with that practice also renting the clinic building so that it would be open to the public for five days per week. The charges made to the qualifying RSPCA clients by the new vets would be discounted. This project has now been running successfully since 1 Jan 2014. The funds raised from the renting out of the clinic premises are being used to help run the branch office, and help pay for other of the branch's activities.

A project to move from the current branch premises in Knapp Road to new ones, which would incorporate a charity shop at ground floor level with the office above, has been continued, and a suitable shop in the Bath Road, Cheltenham, was purchased at the end of 2014. The purpose of the shop is to help provide a future stable income, and not continue to depend upon the low interest rates that are currently available for investments. If this project is fully implemented the current premises in Knapp Road may be either rented out or sold, but no decision on this will be made until the appropriate time.

For many years in the recent past the annual expenditure of the branch has exceeded the income. Hence the increased value of legacies that were received in 2014 and 2015 were most welcome and greatly appreciated. However, similar sums cannot be relied upon in the future and it is the policy of the trustees that the branch becomes financially stable, so that a reliable and stable annual income can be used as a direct measure of the expenditure that is available. The extra income received in 2015 has therefore been used cautiously and invested so that it provides future reliable income.

ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

Trustees' responsibilities statement

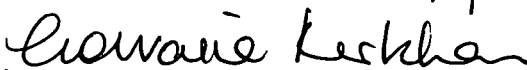
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees, on 4/10/18 and signed on their behalf by:


Mrs L Kirkham
Trustee

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH**

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

**Independent Examiner's Report to the Trustees of Royal Society for the Prevention of Cruelty to Animals
Cheltenham & East Gloucestershire Branch (the 'charity')**

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 December 2017.

This report is made solely to the charity's Trustees, as a body, in accordance with section 154 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report.

Responsibilities and Basis of Report

As the Trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

Dated: 13 October 2018

Martin Regan Chartered Accountant

Crowe U.K. LLP

Carrick House
Lypiatt Road
Cheltenham
GL50 2QJ

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:				
Donations and legacies	2	18,228	18,228	25,559
Other charitable activities		3,408	3,408	4,541
Investments	4	42,057	42,057	41,315
Total income		63,693	63,693	71,415
Expenditure on:				
Raising funds	5	586	586	10,600
Other charitable activities		45,115	45,115	71,094
Total expenditure	7	45,701	45,701	81,694
Net income / (expenditure) before investment gains		17,992	17,992	(10,279)
Net gains on investments	10,11	24,597	24,597	5,484
Net income / (expenditure) and net movement in funds		42,589	42,589	(4,795)
Reconciliation of funds:				
Total funds brought forward		681,264	681,264	686,059
Total funds carried forward		723,853	723,853	681,264

The notes on pages 10 to 20 form part of these financial statements.

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH**

**BALANCE SHEET
AS AT 31 DECEMBER 2017**

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	9	103,428		105,542	
Investment property	10	269,086		253,345	
Total tangible assets			372,514		358,887
Investments	11		155,641		146,785
			528,155		505,672
Current assets					
Debtors	12	6,262		4,546	
Cash at bank and in hand		194,902		180,222	
		201,164		184,768	
Creditors: amounts falling due within one year	13	(5,466)		(9,176)	
Net current assets			195,698		175,592
Net assets			723,853		681,264
Charity Funds					
Unrestricted funds	14		723,853		681,264
Total funds			723,853		681,264

The financial statements were approved by the Trustees on 4/10/2018 and signed on their behalf, by:



Mrs L Kirkham

Chairman

The notes on pages 10 to 20 form part of these financial statements.

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. Accounting Policies

Royal Society for Prevention of Cruelty to Animals Cheltenham and East Gloucestershire Branch is an unincorporated charity (No. 205097) registered in England and Wales. The registered address of its principal office is Alleyne Lodge, Knapp Road, Cheltenham, Gloucestershire, GL50 3QH.

1.1 Basis of preparation of financial statements

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

Royal Society for the Prevention of Cruelty to Animals Cheltenham & East Gloucestershire Branch constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

After reviewing the Charity's forecasts, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. Accounting Policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Governance costs are those associated with constitutional and statutory requirements.

The irrecoverable element of VAT is included within the item of expense to which it relates.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £100 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% on cost
Motor vehicles	-	25% reducing balance
Equipment	-	15% reducing balance

1.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date. Investment properties and listed investments are valued and included in the financial statements at their open market value. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. Accounting Policies (continued)

1.8 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. The Charity has the following basic financial instruments: cash at bank and in hand, debtors and creditors which are all measured at amortised cost.

1.12 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

1.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. Accounting Policies (continued)

1.14 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

i) Useful economic lives of tangible assets

The annual depreciation charges for the tangible assets are sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. See note 9 for the carrying amount of the tangible assets and note 1.4 for the useful lives for each class of asset.

ii) Valuation of investment property

Investment properties are valued and included in the financial statements at their open market value.

2. Income from donations and legacies

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	5,801	5,801	22,878
Legacies	12,427	12,427	2,681
	<hr/>	<hr/>	<hr/>
Total donations and legacies	18,228	18,228	25,559
	<hr/>	<hr/>	<hr/>
Total 2016	25,559	25,559	
	<hr/>	<hr/>	

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. Income from charitable activities

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Re-Homing Income	2,770	2,770	3,792
Subscriptions & Other Income	638	638	749
	<u>3,408</u>	<u>3,408</u>	<u>4,541</u>
<i>Total 2016</i>	<u>4,541</u>	<u>4,541</u>	

4. Investment income

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Rental income - local investment properties	32,650	32,650	32,111
Dividends	7,499	7,499	7,256
Interest	1,908	1,908	1,948
	<u>42,057</u>	<u>42,057</u>	<u>41,315</u>
<i>Total 2016</i>	<u>41,315</u>	<u>41,315</u>	

5. Costs of raising funds

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Rental property - light and heat	245	245	631
Rental property - legal fees	-	-	2,739
Rental property - repairs and maintenance	-	-	7,230
Fundraising costs	341	341	-
	<u>586</u>	<u>586</u>	<u>10,600</u>
<i>Total 2016</i>	<u>10,600</u>	<u>10,600</u>	

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. Direct costs

	Rehoming £	Total 2017 £	Total 2016 £
Veterinary & Medicines	8,330	8,330	15,591
Rates & Water	997	997	964
Light & Heat	489	489	589
Repairs & Maintenance	468	468	616
Insurance	1,161	1,161	1,293
Cleaning	22	22	27
Van Expenses	420	420	395
Telephone	1,012	1,012	1,069
Printing & Stationery	206	206	400
Re-Homing Expenses	14,523	14,523	32,971
Bank Charges	60	60	10
Governance Costs	2,214	2,214	1,917
Irrecoverable VAT	107	107	1,186
Miscellaneous Expenses	557	557	627
Travel	78	78	143
Wages and salaries	12,298	12,298	11,108
Pension cost	59	59	-
Depreciation	2,114	2,114	2,188
	<u>45,115</u>	<u>45,115</u>	<u>71,094</u>
<i>Total 2016</i>	<u>71,094</u>	<u>71,094</u>	

Governance costs include Independent Examination fees of £867 (2016 : £847), bookkeeping costs of £1,312 (2016 : £1,070) and professional fees of £35 (2016 : £nil).

7. Analysis of Expenditure by expenditure type

	Staff costs 2017 £	Depreciation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising voluntary income	-	-	586	586	10,600
Costs of raising funds	<u>-</u>	<u>-</u>	<u>586</u>	<u>586</u>	<u>10,600</u>
Rehoming	12,357	2,114	30,644	45,115	71,094
	<u>12,357</u>	<u>2,114</u>	<u>31,230</u>	<u>45,701</u>	<u>81,694</u>
<i>Total 2016</i>	<u>11,108</u>	<u>2,188</u>	<u>68,398</u>	<u>81,694</u>	

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	12,298	11,108
Other pension costs	59	-
	<u>12,357</u>	<u>11,108</u>

The average number of persons employed by the charity during the year was as follows:

	2017 No.	2016 No.
Administrative staff	1	1

No employee received remuneration amounting to more than £60,000 in either year.

9. Tangible fixed assets

	Freehold property £	Equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2017 and 31 December 2017	106,195	5,215	3,525	114,935
Depreciation				
At 1 January 2017	3,398	2,495	3,500	9,393
Charge for the year	1,699	408	7	2,114
At 31 December 2017	5,097	2,903	3,507	11,507
Net book value				
At 31 December 2017	<u>101,098</u>	<u>2,312</u>	<u>18</u>	<u>103,428</u>
At 31 December 2016	<u>102,797</u>	<u>2,720</u>	<u>25</u>	<u>105,542</u>

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. Investment property

	Freehold investment property £
Valuation	
At 1 January 2017	253,345
Surplus/(deficit) on revaluation	15,741
	<u>269,086</u>
At 31 December 2017	<u>269,086</u>
Comprising	
Cost	253,345
Annual revaluation surplus/(deficit): 2017	15,741
	<u>269,086</u>
At 31 December 2017	<u>269,086</u>

During the year ended 31 December 2015 a property, 163 Bath Road, Cheltenham, was transferred into investment property from freehold property. A formal valuation has not been carried out, instead the property has been revalued based on a percentage average of property value increases in the local area.

11. Fixed asset investments

	Listed securities £
Market value	
At 1 January 2017	146,785
Unrealised Investment Gain	8,856
	<u>155,641</u>
At 31 December 2017	<u>155,641</u>
Historical cost	<u>63,052</u>

Investments at market value comprise:

	2017 £	2016 £
Listed investments	<u>155,641</u>	<u>146,785</u>

All the fixed asset investments are held in the UK

ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

11. Fixed asset investments (continued)

Material investments

	2017 £	2016 £
M&G Charifund	111,252	103,987
COIF Charities Property Fund	44,389	42,798
	<u>155,641</u>	<u>146,785</u>

12. Debtors

	2017 £	2016 £
Other debtors	4,840	3,997
Prepayments and accrued income	1,422	549
	<u>6,262</u>	<u>4,546</u>

13. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	2,850	5,340
Accruals and deferred income	2,616	3,836
	<u>5,466</u>	<u>9,176</u>

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

14. Statement of funds

Statement of funds - current year

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2017 £
Designated funds						
Designated Fund - purchase of shop premises	263,979	-	-	(263,979)	-	-
Designated Fund - set up costs of charity shop	-	-	-	100,000	-	100,000
	<u>263,979</u>	<u>-</u>	<u>-</u>	<u>(163,979)</u>	<u>-</u>	<u>100,000</u>
General funds						
General Funds	417,285	63,693	(45,701)	163,979	24,597	623,853
Total Unrestricted funds	<u>681,264</u>	<u>63,693</u>	<u>(45,701)</u>	<u>-</u>	<u>24,597</u>	<u>723,853</u>
Total of funds	<u>681,264</u>	<u>63,693</u>	<u>(45,701)</u>	<u>-</u>	<u>24,597</u>	<u>723,853</u>

A designated fund was created in 2013 for the purpose of relocation, this has been achieved with the purchase of the Bath Road property so the designated fund has been transferred back to the general fund to reflect this.

A transfer was made in the current year from the general fund to redesignate £100,000 to represent the potential future costs of renovating, setting up and initial running costs of opening a charity shop at this premises.

Statement of funds - prior year

	Balance at 1 January 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2016 £
Designated Fund - purchase of shop premises	263,979	-	-	-	-	263,979
General funds	422,080	71,415	(81,694)	-	5,484	417,285
	<u>686,059</u>	<u>71,415</u>	<u>(81,694)</u>	<u>-</u>	<u>5,484</u>	<u>681,264</u>

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS CHELTENHAM & EAST
GLOUCESTERSHIRE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	103,428	103,428
Fixed asset investments	155,641	155,641
Investment property	269,086	269,086
Current assets	201,164	201,164
Creditors due within one year	(5,466)	(5,466)
	<u>723,853</u>	<u>723,853</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2016 £</i>	<i>Total funds 2016 £</i>
Tangible fixed assets	105,542	105,542
Fixed asset investments	146,785	146,785
Investment property	253,345	253,345
Current assets	184,769	184,768
Creditors due within one year	(9,176)	(9,176)
	<u>681,265</u>	<u>681,264</u>

16. Related party transactions

There were no related party transactions in the year (2016: £nil).